

Effect of Employee Satisfaction on Intrapreneurship: An Analysis from Service Industry of Pakistan.

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Abstract

This paper seeks to investigate the relationship between employee satisfaction and intrapreneurship in the service industry of Pakistan. In the competitive global environment, innovativeness in the products and services along with new technology advancements is key for the success of firms. In existing firms, the new idea generation and new business expansions in existing markets is a very crucial element. For achieving this objective, organizations rely upon their employees because the intrapreneurs are employees of the firm. Employee plays an important role in entrepreneurial activities. For getting the best out of the employees employee satisfaction with the job is a crucial element which may depend on several factors. Organizational characteristics, values and employee related factors can lead an organization toward internal advancements like technology development, generation of ideas or self-renewal process and innovativeness in products/services and new business expansions that all will ultimately lead organization toward the more productivity and firm growth and business development. Survey based study has been done and the data has been collected through a survey Questionnaire. Sample of the study is 150 employees from the service sector of Pakistan. To check the relationship between the variables the multiple response method has been used. With the help of statistical software SPSS cross tabs tables has been generated. The findings of study reveal that role clarity and role conflict among the employees or the relationship between the employees along with remuneration, general satisfaction with the work and job stability of the employee decide about the employee satisfaction. Employee satisfaction has a positive relationship with the intrapreneurship.

Keywords: Employee Satisfaction, Intrapreneurship, SPSS, Pakistan, Service

1.0 Introduction

Intrapreneurship that is depending on the employee satisfaction and organizational characteristics can be defined as a process of creating and generating value for the organization through human and capital resources with the help of innovativeness. Intrapreneurship depends more on internal factors and innovativeness in existing firms and that is why it is differentiated from the term entrepreneurship. Intrapreneurship dimensions or the factors that are considered to be under the term intrapreneurship are like the generation of new ideas and those ideas will be the cause of survival for the organization. Other dimensions of intrapreneurship include the business innovativeness or the new business venture. New business innovativeness as the dimension of Intrapreneurship refer toward the venturing of the business in the existing market but in a new way and expanding that through shared management or collective business strategy that is also an initiative toward the business development and firm growth. Technology advancements like new technology for the firm comes under the capital resource through which Intrapreneurship is going to be achieved and the value for the organization can be generated. And through product and service innovativeness the launching of new products and services the intrapreneurship is under the consideration.

The employee satisfaction is actually the satisfaction of the employees with their job and that satisfaction depends upon the several factors. Employee satisfaction mainly comes under the dimension like general satisfaction of the employees with their work. That refers as the general satisfaction of the employees with their work that dimension can be affected due to the nature of the work and that how much time employee have to work and those timing period can be an issue and cause for the satisfaction or the dissatisfaction for the employees. Other dimension that are of immense importance is the remuneration factor. Either an employee is paid enough to get his satisfaction from the job. In service firms the productivity of the firm is to satisfy their customer and for getting the customer satisfaction the employees of the firm can play an important role because they are the ones who have to interact with the customers so to achieve the customer satisfaction and ultimately firm growth and business development organizations emphasize much more on the satisfaction of the employee because they will be ultimately leading the organization toward efficiency and effectiveness. The relationship

among the employee where they are working is also an dimension of the employee satisfaction . The more the employee will be comfortable with each the more they will contribute toward the organizational goals and the more they will be satisfied with their work and job so that is also an key factor toward the employee satisfaction. another key dimension for the employee satisfaction is the loyalty of the employee with its organization as the employee will be more loyal to the organization that he or she is stable at the job and working on job for a longer period of tomes it means that the employee is satisfied with the job that is why he or she is stable at the job and not going to leave the job but that cannot be true all the time because may that employee is not getting any other job in other company but that is also an key dimension for the employee satisfaction .

The Organizational characteristics that build the organizational internal environment called the organizational antecedents toward the employee satisfaction and then ultimately employee satisfaction toward the intrapreneurship. These internal organizational antecedents include the firm control system. Internal control system that the way organization has control over the organizational activities within the organization that control can be managerial control and employee controlling through a proper hierarchy. Culture of the organization another organizational antecedent toward the intrapreneurship have to play an key role for the development like the culture of the organization and the values in the organization are key for the organization for shaping its internal environment. Organizational boundaries have to play an important role toward the employee satisfaction and that the freedom of doing the work and taking the decisions on its own that is a very important and the time availability is also a factor. Time availability is a major issue the employee having the time apart from those busy schedule enables them think for something innovative and for the betterment of the organization.

2.0 Literature Review

Employee satisfaction is said to be the degree up to which employees of the organization are liking their job and up to extent they are comfortable with their job and rather than feeling discomfort from the job the employees started to like the job (Spector, 1997). For the organizational behavior and the development business and management growth employee satisfaction is consider to be the very much important element and not only the employee satisfaction but the dimensions of it and the elements that are leading toward the job satisfaction (Locke, 1976; Dawis, 1969).In famous Herzberg's (1964, 1966) point of view there are two type of factors one is that may lead toward the satisfaction and other toward the dissatisfaction the factors that are leading toward the satisfaction include the work that employees perform, the responsibility that employees are given relevant to their work, growth opportunities for the employees, development opportunities, and if employees able to achieve something that will also motivate them .On the other hand the factors that are the cause for dissatisfaction for the employees include the control or the supervision strictness ,the working environment if relationships among the employees are not good and there is role conflict and not role clarity so that will also lead employees toward the dissatisfaction. The organizational rules that are always threading for the employees can be a cause for the dissatisfaction of the employees.

Employee satisfaction relevant theory well known as the equity theory (Adams, 1963; Vecchio, 1982)emphasize much on the employee satisfaction and dissatisfaction based upon the employees comparison of their own input and outcome with the other employees. Their perception and way of comparison decide their satisfaction and dissatisfaction.

Employee satisfaction has taken under the dimensions of general satisfaction with the work that nature of the work and timings of that work these are taken as the factor for the employee satisfaction (Mozina, 1991; Staines, 1990). Another important factor is the role clarity and the role conflict that contribute toward the better employee relations with each other or the tense employee relations (Mayer,1991; Miskell, 1994; Welsby, 2003). The employee work according to their potential and in return to that or in consideration to that organization reward the employees with benefits and those benefit decide that either employee is satisfied with the job or either organization has paid the employee as much as he deserve or not that will satisfy an employee or can become a reason for the dissatisfaction of the employees (Hallman, 1991; Noe, 2008)and those benefits can be in any monetary terms and value giving like promoting to a higher rank. For how much long an employee work in an organization if the employee is stable at the job and is not leaving for the longer period of time it means the employee is loyal to the organization and is not going to leave the job that also shows the satisfaction of the employee and can be vice versa (Tsuiet al , 1997; Varona, 2002).

Intrapreneurhip firms are very much interested and are more contributing toward the new activities and growth of the firm while the other way around is the organization which are not involve in the intrapreneurial activities and are just interested with the management of the firm and not performing those advancements leading activities that lead toward the intrapreneurship and firm growth (Antoncic and Hisrich,2003).

Intrapreneurship is if a firm is investing and contributing toward the expansion of its business in the shape of interring in to the new business venture but share management but the market and product along with the services that they are offering can be the same but the business has been expanded that dimension of the

intrapreneurship gives an wide range of intrapreneurship concept (Schollhammer, 1982; Hisrich and Peters, 1984).launching new products offering new services that also comes under the intrapreneurship as the dimension of it(Zahra, 1993; Knight, 1997).new technology and the innovativeness in the technology and advancing the resources of the firms by the employee related resources and by capita resources lead toward the intrapreneurship and is consider to be an dimension of the intraprenersship (Covin and Slevin, 1991;Zahra, 1993; Damanpour, 1996).generation of new ideas and formulating those ideas in such a way that it can contribute towards something innovative and become a reason for generation of value for the firm (Vesper, 1984; Guth and Ginsberg, 1990).

Organizational antecedents that affect the intrapreneurship are also vital they ultimately lead the firms toward the growth and entrepreneurial actions those aorganizational antecedents can become the source of employee satisfaction and ultimately that lead toward the innovativeness and advancement in the organization. Management cooperation and support to the employees by providing an environment to the employees so that they can able to participate in the within the organization entrepreneurial actions (Scanlan, 1981; Barringer and Milkovich, 1998).Providing the employees freedom to participate in the organizational decagon making and getting their opinions giving value to the employees that is also an important factor that may lead toward the participation of entrepreneurial actions (Sykes and Block, 1989; Bird, 1988).Organizational culture is another factor for entrepreneurial actions .Employee are encouraged by that and it help the employees to participate in new idea generations and innovativeness(Hisrich and Peters, 1986; Schuler, 1986).Employee satisfaction and intrapreneurship relation in the literature is linked in such way that the organizational characteristics in which organizational culture , the time availability and management support these are the cause or leading toward the innovativeness and those actions which become the case for the technology and service and product advancements in the organization. Those organization factors also include rewarding system and control so these factors definitely lead toward the intrapreneurship but indirectly are the source for the employee satisfaction and employee satisfaction ultimately lead toward the intrapreneurship (Stevenson and Jarillo,1990).

Employee satisfaction has affect on the firm growth employee training and proper recruitment system and management involvement in getting the employee satisfaction through an transactional way of leadership lead the organization toward development and growth (Demirbag, 2006).Employee satisfaction is linked with the performance indirectly and there is an moderating relationship employee with better job satisfaction perform better on the work as compare to others (Judge et al. , 2001).There is an positive relationship between employee satisfaction and firm growth that can be achieved through the better performance of the employees . That better performance of the employees ultimately has a positive relationship with the growth and overall performance of the organization (Shaw et al. 1998). Management initiative toward the getting best out of the employees need to focus on the employee satisfaction that satisfaction is going to help the management in achieving the growth and productivity of the organization (Tsui et al. , 1997; Gerhart and Rynes, 2003).

Intrapreneurship has relationship with the firm growth. As the result of intrapreneurship the firm growth is going to be affected and the most important consequence of intrapreneurship is the firm growth . Intrapreneurship is positively associated with the employee satisfaction and firm growth (B.Antoncic , 2011). New product development and advancement in terms of new technology along with idea generation for self renewal and business development on internal innovativeness abilities these will lead toward the economic performance and better firm growth so the intrapreneurship is positively associated with the intrapreneurship and that will be an cause for the firm efficiency (Carree and Thurik, 2003). Entrepreneurial actions lead an firm toward the productivity and better performance that increases the overall performance of the firm and organizational goals can be achieved so that is an important for a organization for its survival and being competitive (Covin and Slevin, 1986; Zahra, 1991).

3.0 Theoretical Framework

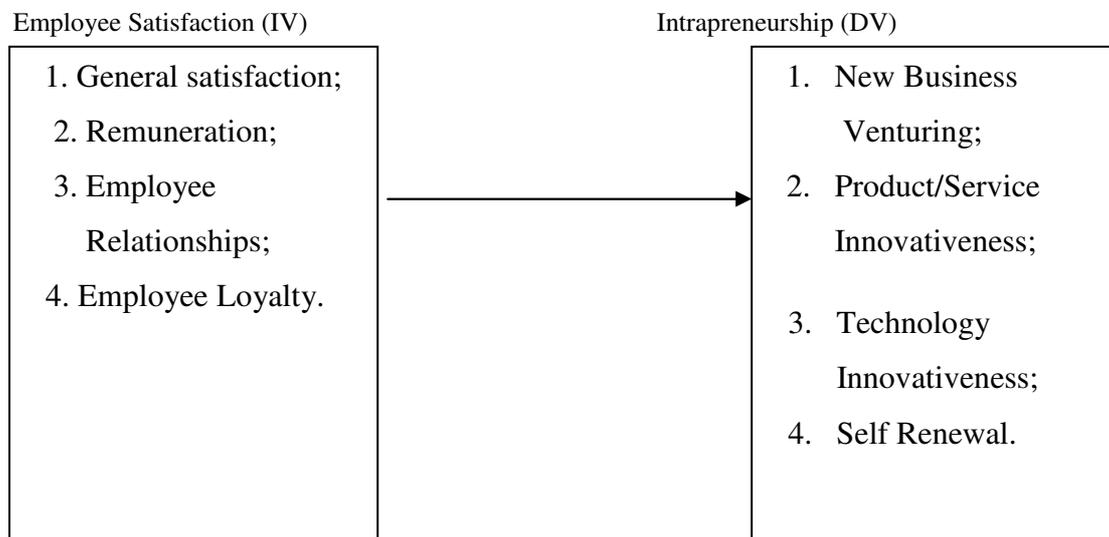
In the previous research work the employee satisfaction factors that have significant impact on the employee satisfaction discussed. The researchers identified the factors that become the cause of employee satisfaction and have significant impact on the satisfaction of the employees. In the article increasing job satisfaction of the service firms (Jerry D. Rogers, 1994) the dimensions of the employee satisfaction which were empirically examined were role clarity, role conflict, and empathy and job tension. The employee satisfaction was examined under these underlying variables.

Linkage between employee satisfaction and intrapreneurship

Employee satisfaction and intrapreneurship linkage has been empirically examined in the previous researches and that relationship was tested with underlying variables. Main variables are employee satisfaction and intrapreneurship. Where the employee satisfaction is independent variable and the intrapreneurship is the dependent variable. In the previous research on the intrapreneurship and organizational factors that may lead toward the intrapreneurship the inside the organization values and enviournment has been linked with the intrapreneurship. With in organization characteristics of the leading toward the intrapreneurship development

were mainly important these are supported by (Luchsinger and Bagby, 1987; Hornsbyet , 1993; Antoncic and Hisrich, 2001; Antoncic, 2007). In organizational characteristics the open sharing of the communication, inside organization the values, support from the management and the way control is being managed in the organizational these are some of the key elements for the intrapreneurship that can influence the intrapreneurship these were discussed by the (Antoncic and Hisrich, 2001).

The role of top level management is very key for the motivation and the employee involvement in the activities that can lead employees toward the participation in the organizational innovation and intrapreneurship(Huang and Lin, 2006).the organizational factors like the proper rewarding to the employees ,giving employees time to contribute and participate in intrapreneural activities,showing trust on the employees and providing them proper training involve the employees more toward the intrapreneurship (MacMillan, 1986). For intrapreneurship the element of values in the organization is very important and for generating innovation that can be an essential impact area(Wong, 2005). The other variables that has been already used in the researches of intrapreneurship include the attitude of the employees toward their work and the organizational values that a firm give to the employees is one key element (Zahra, 1991). So due to the previous relations in the studies the organizational characteristics and intrapreneurship relation has been reflected and is more toward the positive side so in the proposed study the positive relationship between the intrapreneurship and the employee satisfaction under some dimentionis will be empirically examined.



Source: Adapted from Antoncic (2011)

Hypothesis

- H1: Remuneration is positively associated with Intrapreneurship of service sector of Pakistan.
- H2: General satisfaction is positively associated with Intrapreneurship of service sector of Pakistan.
- H3: Employee Relationship is positively associated with Intrapreneurship of service sector of Pakistan.
- H4: Employee Loyalty is positively associated with Intrapreneurship of service sector of Pakistan.

4.0 Methodology

A convenient sample of 150 responded has been used to collect the data . All the respondents belongs from the service sector of Pakistan. Questionnaire that has been used to collect the data was divided in to two parts. In first part multiple response questions has been asked related to employee satisfaction under the four dimensions of employee satisfaction separately. In the second part multiple response questions has been asked related to intrapreneurship under the four dimentionis separately. Statistical software SPSS has been used to get the results from the data. Multiple response method and cross tab tables has been generated to check the relationship between the variables. Results has been discussed with the help of cross tab tables.

I am satisfied with * The demand of our products/services Crosstabulation

My salary/ hourly wage is * The demand of our products/services Crosstabulation

	The demand of our products/services				Total
		Is increasing rapidly	increasing slowly	stable	
My salary/ hourly wage is	5	0	0	0	5
Average	0	29	33	19	81
Above average	0	3	15	10	28
Below Average	0	9	9	11	29
I don't know	0	4	8	0	12
Total	5	45	65	40	155

This crosstabulation table is about the first hypothesis that is the relationship between remuneration and intrapreneurship. This table is showing the services innovativeness participation of the employees those who are satisfied with job and those who are not. The employees who are satisfied with the promotion criteria there firm is more innovative in introducing new services as there number is 20 and more than any other criteria related to increasing rapidly services.

Employees having average salary are contributing more toward the increase in demand of products and services of their firms.

The employee that are not satisfied with their extra work are less participative toward the services innovativeness

I am not satisfied with * The demand of our products/services Crosstabulation

	The demand of our products/services				Total
		Is increasing rapidly	increasing slowly	stable	
I am not satisfied with	5	0	0	0	5
My pay	0	17	20	11	48
promotion criteria	0	21	13	18	52
extra work	0	7	32	11	50
Total	5	45	65	40	155

and intrapreneurship of the firm.

	Rate of new services introduction into the market			Total
		Fast	Slow	
I find my work	5	0	0	5
challenging	0	61	26	87
Interesting	0	46	17	63
Total	5	107	43	155

Employees who find their work challenging are more participative toward the service innovativeness.

	My organization has redefined the industry in which to compete			Total
		clearly defined	defined to some extent	
My salary is	5	0	0	5
More than my colleagues of same rank	0	3	8	11
Equal to my colleagues of same rank	0	61	47	108
I have never asked them about thier salary	0	4	27	31
Total	5	68	82	155

Employees having satisfied with the salary as compare to other colleagues are more participative toward the self renewal of the firm.

	My organization has redefined the industry in which to compete		Total
	clearly defined	defined to some extent	
I have conflicts	30	40	70
None	38	42	80
Total	68	82	150

Employee who are satisfied with their relation with other employees are participative toward the self renewal of the organization.

	My organization is continuously changing		Total
	Agenda	None	
I have conflicts	52	18	70
None	18	62	80
Total	70	80	150

	My organization has redefined the industry in which to compete		Total
	clearly defined	defined to some extent	
I am working in this organization 1-5 years for last	29	18	47
5-10 years	5	27	32
10=15 years	34	37	71
Total	68	82	150

Employees who are loyal to their organization are more participative toward the intrapreneurship of the firm.

	My organization is continuously changing		Total
	Agenda	none	
I am working in this organization 1-5 years for last	17	30	47
5-10 years	17	15	32
10=15 years	36	35	71
Total	70	80	150

Employee loyalty is a key element toward the intrapreneurship of the family firms of Pakistan.

	My organization has redefined the industry in which to compete		Total
	clearly defined	defined to some extent	
I find my work Challenging	51	36	87
Interesting	17	46	63
Total	68	82	150

Conclusion

Organizational characteristics like culture, control, management support, organizational boundaries, value for the employees and openness to communicate affect the employee satisfaction with in an organization. Role clarity and role conflict among the employees or the relationship between the employees along with remuneration, general satisfaction with the work and job stability of the employee decide about the employee satisfaction. Employee satisfaction has a positive relationship with the intrapreneurship. Intrapreneurship is decided with the innovativeness in the technology within a firm, new products and services advancements, idea generations and the expanding the business for all these employee of the firm have to play an important role because employee of the firm are intraprenurs. Employee satisfaction can be a cause for the intrapreneurship.

Limitations

The study is cross sectional in nature and is going to be just one time study and the results that will be coming will be just one time analyzed so the longitudinal studies may be giving the better results but the time frame and the cross sectional nature of this proposed study may limit the findings to some extent. And the intrapreneurship is going to be related with the employee satisfaction those four dimensions and that is going to be a limitation of the study because there may be the employee satisfaction one or two factors that may influence but the prominent and reliable factors are these which will be examined. The sample size due the limited service firms in Pakistan may not be as bigger as in the module studies and that is limited to Pakistan only.

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